

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of PENNOCK POINTE ESTATES PROPERTY OWNERS' ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on December 17, 1987, as shown by the records of this office.

The document number of this corporation is N23944.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
17th day of December, 1987.



CR2E022 (8-87)

Jim Smith

Jim Smith
Secretary of State

ARTICLES OF INCORPORATION

OF

PENNOCK POINTE ESTATES PROPERTY OWNERS' ASSOCIATION, INC.
(a corporation not for profit under the laws
of the State of Florida)

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1991 DEC 17 PM 2:44
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned by these Articles associate themselves for the purpose of forming a corporation not for profit under Chapter 617, Florida Statutes as amended, and certify as follows:

ARTICLE I
NAME

The name of the corporation shall be Pennock Pointe Estates Property Owners' Association, Inc. For convenience, the corporation shall be referred to in this instrument as the "Association".

ARTICLE II
PURPOSE

- A. The purpose for which the Association is organized is to provide an entity to own, maintain, and operate certain lands located in Palm Beach County, Florida, which lands are to be used in common by all the members of the Association, which membership shall consist of all of the Parcel Owners at Pennock Pointe Estates. The Association shall be responsible for the management of Pennock Pointe Estates in keeping with the terms and conditions as set forth in the DECLARATION OF COVENANTS AND RESTRICTIONS FOR PENNOCK POINTE ESTATES (The "Declaration"), and as same may be amended from time to time.
- B. All of the terms used in these Articles of Incorporation shall have the same definitions and meanings as set forth in the Declaration.
- C. The Association shall make no distribution of income to its members, Directors or Officers.

ARTICLE III
POWERS

The powers of the Association shall include and be governed by the following provisions:

- A. The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these articles, or with the terms of the Declaration of Covenants and Restrictions for Pennock Pointe Estates.
- B. The Association shall have all the powers and duties set forth in the Declaration of Covenants and Restrictions for Pennock Pointe Estates, except as limited by these Articles, and all of the powers and duties reasonably necessary to operate and administer the Pennock Pointe Estates Properties pursuant to the Covenants and Restrictions and as it may be amended from time to time, including but not limited to the following:
 1. To make and collect assessments against members to defray the costs and expenses of the Association Property.
 2. To use the proceeds of assessments in the exercise of its powers and duties.
 3. To maintain, repair, replace and operate the Property of the Association.
 4. To purchase insurance upon the Property of the Association and insurance for the protection of the Association and its members, as determined by the Board of Directors.

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5. To dedicate or to transfer all of any part of the Association's Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be approved by not less than fifty-one percent (51%) of the membership of the Association, and approved by not less than seventy-five percent (75%) of the institutional mortgagees holding mortgages encumbering the Parcels.
 6. To reconstruct the Improvements to the Association's Property, after casualty, and to further improve the Association's Property, as provided in the Declaration of Covenants and Restrictions.
 7. To make and amend reasonable regulations regarding the use of the Property of the Association, provided that notice of the proposed modification, addition or deletion to the regulations is sent by U.S. Certified mail, return receipt requested, to each member of the Association at least thirty (30) days before the proposed modification, addition or deletion becomes effective.
 8. To contract for the management of the Association Property and to delegate to such contractors all powers and duties of the Association except such as are specifically required by the Declaration of Covenants and Restrictions of Loxahatchee Landing to have the approval of the Board of Directors or the membership of the Association. Any such contract may not exceed three (3) years, and must provide for termination by either party without cause and without payment of a termination fee on sixty (60) days written notice.
 9. To employ personnel for reasonable compensation to perform the services required for proper operation and administration of the Association Property.
 10. To enforce by legal means the provisions of the Declaration, these Articles, the By-Laws of the Association, and the regulations for the use of the Association's Property as same may be promulgated, modified, or amended from time to time by the Association.
 11. To pay taxes and assessments, which are liens against any part of the Association's property.
 12. To pay the costs of all power, water, sewer, and other utility services rendered to the Property of the Association, and not billed to Owners of individual Parcels.
 13. To suspend the right to use and enjoy the Association's Property and facilities of any member for any period during which any assessment shall remain unpaid.
 14. To do such other things as may be necessary in order to perform the duties and to exercise the power provided for the Association in the Declaration.
- C. The Association shall not have the power to purchase a Lot except at sales in foreclosure of liens for assessments for common expenses, at which sales the Association shall bid not more than the amount secured by its lien.
- D. All funds and the titles of all Properties acquired by the Association and their proceeds shall be held in trust for the members in accordance with the provisions of the Declaration, these Articles of Incorporation and the By-Laws.
- E. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration.

ARTICLE IV
MEMBERS

ORB 5537 Pg 1105

- A. The members of the Association shall consist of all of the record Owners of Lots in Pennock Pointe Estates.
- B. Change of membership in the Association shall be established by recording in the Public Records of Palm Beach County, Florida, a deed or other instrument establishing a record title to a Lot at Pennock Pointe Estates, and the delivery to the Association of a copy of such recorded instrument. The Owner designated by such instrument thus becomes a member of the Association and the membership of the prior Owner is terminated as of the date of recording of such instrument.
- C. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except upon transfer of the title of his Lot.
- D. The Owner of each Lot shall be entitled to one vote as a member of the Association. The exact number of votes to be cast by Owners and the manner of exercising voting rights, shall be determined by the By-Laws of the Association; subject, however, to the terms and conditions of the Declaration.

ARTICLE V
DIRECTORS

- A. The affairs of the Association will be managed by a Board consisting of not less than three (3) nor more than nine (9) Directors, and until such time as the Developer elects to divest control of the Association Directors need not be members of the Association.
- B. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.
- C. The first election of Directors shall not be held until after the Developer has closed the sales of all of the Lots in Pennock Pointe Estates, or until the Developer elects to terminate its control of the Association, whichever shall first occur. The Directors named in these Articles shall serve until the first election of Directors, and any vacancies in their number occurring before the first election shall be filled by the remaining Directors.
- D. The names and addresses of the members of the first Board of Directors who shall hold office until their successors are elected and have qualified, or until removed, are as follows:

Wesley W. Oldham	500 Old Dixie Highway Jupiter, Florida 33458
Stephen L. Oldham	500 Old Dixie Highway Jupiter, Florida 33458
John R. McDonald	500 Old Dixie Highway Jupiter, Florida 33458

ARTICLE VI
OFFICERS

The affairs of the Association shall be administered by the Officers designated in the By-Laws. The Officers shall be elected by the Board of Directors at its meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

President: Wesley W. Oldham	500 Old Dixie Highway Jupiter, Florida 33458
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when received.

Vice President:
John R. McDonald

500 Old Dixie Highway
Jupiter, Florida 33458

Secretary/Treasurer:
Stephen L. Oldham

500 Old Dixie Highway
Jupiter, Florida 33458

ARTICLE VII
INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of wilful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement or reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE VIII
BY-LAWS

The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws.

ARTICLE IX
AMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner.

- A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- B. A resolution approving a proposed amendment may be proposed either by the Board of Directors or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided.
 1. Such approvals must be by not less than fifty-one percent (51%) of the entire membership of the Board of Directors and by not less than fifty-one percent (51%) of the votes of the membership of the Association voting in person and by proxy; or
 2. By not less than 60% of the votes of the membership of the Association filing in person or by proxy at a meeting held for such purpose.
- C. Provided, however, that no amendment shall make any changes in the qualifications for membership nor the voting rights of members without approval in writing by all members, and joinder of all record owners of mortgages upon the Parcels. No amendment shall be made that it is in conflict with the Declaration or the laws of the State of Florida.

ARTICLE X
TERM

The term of the Association shall be perpetual.

ARTICLE XI
DISSOLUTION

ORB 5537 Pg 1107

In the event of dissolution or final liquidation of the Association, the assets, both real and personal of the Association, shall be dedicated to any appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title of any member vested in him under the Declaration unless made in accordance with the provisions of such Declaration or any recorded deed.

ARTICLE XII
INCORPORATORS

The names and addresses of the incorporators of these Articles of Incorporation are as follows:

ARTICLE XIII
REGISTERED AGENT AND OFFICE

The initial registered office of the corporation shall be located at 500 Old Dixie Highway, Jupiter, Florida 33458. The initial Registered Agent at said address shall be Wesley W. Oldham.

IN WITNESS WHEREOF, the incorporators have affixed their signatures this _____ day of _____, 1987.

Witnesses:

[Signature]
WESLEY W. OLDHAM

[Signature]
WESLEY W. OLDHAM

[Signature]
STEPHEN L. OLDHAM

[Signature]
STEPHEN L. OLDHAM

[Signature]
JOHN R. McDONALD

[Signature]
JOHN R. McDONALD

STATE OF FLORIDA

COUNTY OF PALM BEACH

BEFORE ME, the undersigned authority, personally appeared WESLEY W. OLDHAM, STEPHEN L. OLDHAM and JOHN R. McDONALD, who after being duly sworn, acknowledged before me that they executed the foregoing Articles of Incorporation freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal this 15th day of December, 1987.

(NOTARY SEAL)

[Signature]
NOTARY PUBLIC, State of Florida

My Commission Expires October 5, 1991
Notary Public, State of Florida at Large
Bonded thru Agent's Notary Brokerage

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EXHIBIT "D"

BY-LAWS

PENNOCK POINTE ESTATES PROPERTY OWNERS' ASSOCIATION, INC.
(a corporation not for profit under the laws of
the State of Florida)

ARTICLE I
IDENTITY

These are the By-Laws of PENNOCK POINTE PROPERTY OWNERS' ASSOCIATION, INC., hereinafter called "Association" in these By-Laws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the Office of the Secretary on the 17th day of December, 1987. The Association has been organized for the use and purpose of owning, operating, controlling and regulating the use of the amenities located in Pennock Pointe Estates; of promoting, assisting and providing adequate maintenance of Pennock Pointe Estates for the benefit of all Owners therein; of providing and promoting recreational activity within Pennock Pointe Estates through the acquisition of land and facilities (whether by fee simple ownership, leasehold or other possessory use interest), the maintenance of the land and facilities, and such other means and methods as it may deem in the best interest of its members; to exercise all powers and discharge all responsibilities granted to it as a corporation under the laws of the State of Florida, its Articles of Incorporation, these By-Laws, and the Declaration; to acquire, hold, convey and otherwise deal with any real and/or personal property in the Association's capacity as a Property Owners' Association; and to otherwise engage in such additional lawful activities for the benefit, use, convenience and enjoyment of its members as it may deem proper.

- A. The initial office of the Association shall be at 500 Old Dixie Highway, Jupiter, Florida 33458.
- B. The fiscal year of the Association shall be the calendar year.
- C. The seal of the corporation shall bear the name of the corporation, the word "Florida", the words "Corporation Not For Profit" and the year of the incorporation.
- D. The words and phrases used in these By-Laws shall have the same meanings herein as they have in the DECLARATION OF COVENANTS AND RESTRICTIONS OF PENNOCK POINTE ESTATES.

ARTICLE II
MEMBERS' MEETINGS

- A. The qualification of members, the manner of their admission to membership in the Association, and the manner of the termination of such membership shall be as set forth in Article IV of the Articles of Incorporation.
- B. The annual members' meeting shall be held at such time, date and location in Palm Beach County, Florida, as shall be designated in the notice of meeting for the purpose of electing Directors and transacting any other business authorized to be transacted by the members.
- C. Special members' meetings shall be held at such location in Palm Beach County, Florida as shall be designated in the Notice of Meeting whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third (1/3) of the votes of the entire membership.
- D. A written notice of all members' meetings (annual or special) shall be mailed to each member stating the time and place and the object for which the meeting is called, and shall be given by the President, Vice President or Secretary unless waived in writing. Such notice shall be

mailed to each member at his address as it appears on the books of the Association and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such meeting may be waived before or after meetings.

- E. The membership may, at the discretion of the Board, act by written agreement in lieu of a meeting; provided, however, that written notice of the matters to be determined by such members is given to the membership at the addresses and within the time periods set forth herein for notice of meetings; or is duly waived by such members. Any determination by written agreement shall be determined by the number of members capable of determining the subject matter at a members' meeting. The quorum requirements shall be the same as for a members' meeting. Any notice requesting the written agreement of the membership shall set forth a time period in which a response may be made.
- F. A quorum of the members shall consist of those persons entitled to cast a majority of the votes of the entire membership. A member may join in the action of a meeting by signing the minutes thereof, and such signing shall constitute the presence of such member for the purpose of determining a quorum. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration, the Articles of Incorporation or these By-Laws.
- G. If at any meeting of the membership, there shall be less than a quorum present, the President, and in the absence of the President, then the majority of those present, may adjourn the meeting from time to time until a quorum is present. Any business which might have been transacted at a meeting as originally called may be transacted at any adjourned meeting thereof. In case of the adjournment of a meeting, notice to the members of such adjournment shall be as determined by the President or in his absence by the majority of the members present.
- H. Minutes of all meetings of the members shall be kept in a businesslike manner, and shall be available, upon reasonable notice and at reasonable times, for inspection by the members and Directors at the office of the Association.
- I. Voting.
 1. In any meeting of members, the Owners of each Lot shall be entitled to cast one vote as the Owner of a Lot unless that decision to be made is elsewhere required to be determined in another manner.
 2. If a Lot is owned by one person, his right to vote shall be established by the record title to his Lot. If a Lot is owned by more than one person, or is under lease, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record Owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a corporation, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by the President or Vice President and attested to by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. A certificate designating the person entitled to cast the vote of the Lot may be revoked by any Owner of a Lot. If such a certificate is not on file, the vote of such Owner shall not be considered in determining the requirement for a quorum nor for any other purpose.
 3. Votes may be cast in person or by proxy. A proxy must be designated in writing by any person entitled to vote, and shall be valid only for the particular meeting designated in the proxy. It must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

4. No member shall be allowed to exercise his vote or serve as a Director unless he is current on all assessments.
- J. The order of business at annual members' meetings and, as far as practical at other members' meetings, shall be:
1. Election of chairman of the meeting.
 2. Calling of the roll and certifying of proxies.
 3. Proof of notice of meeting or waiver of notice.
 4. Reading and disposal of any unapproved minutes.
 5. Report of officers.
 6. Reports of committees.
 7. Election of inspectors of elections.
 8. Election of directors.
 9. Unfinished business.
 10. New business.
 11. Adjournment.
- K. Until the Developer of Pannock Pointe Estates has completed all of the contemplated improvements and closed the sale of all of the Lots located in Pannock Pointe Estates, or until the Developer elects to terminate its control of the Association, whichever shall first occur, the proceeding of all meetings of members of the Association shall have no effect unless approved by the Board of Directors.

ARTICLE III
DIRECTORS

- A. The affairs of the Association shall be managed by a Board which shall consist of not less than three (3) nor more than nine (9) Directors.
- B. Election of Directors shall be conducted in the following manner:
1. Election of Directors shall be held at the annual members' meeting.
 2. A nominating committee of three (3) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual members' meeting. The committee shall nominate one person for each Director then serving. Other nominations may be made from the floor.
 3. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.
 4. Except as to vacancies created by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.
 5. Any Director may be removed by concurrence of fifty-one per cent (51%) of the membership voting in person or by proxy at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting.
 6. Until the Developer of Pannock Pointe Estates has completed all contemplated improvements and closed the sales of all of the Lots in Pannock Pointe Estates, or until the Developer elects to terminate its control of the Association, whichever shall first occur, the first Directors of the Association shall serve, and in the event of vacancies, the remaining Directors shall fill the vacancies, and if there are no remaining Directors, the vacancies shall be filled by the Developer.

- C. The term of each Director's service shall be from the date of his or her election until the election of his or her successor at the next annual meeting or subsequently until his or her successor is duly qualified or he or she is removed in the manner elsewhere provided.
- D. The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and at such time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.
- E. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.
- F. Special meetings of the Board of Directors may be called by the President, and must be called by the Secretary at the written request of two-thirds (2/3) of the Directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting.
- G. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of the notice.
- H. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approved by a greater number of Directors is required by the Articles of Incorporation or these By-Laws.
- I. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.
- J. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.
- K. The presiding officer at Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.
- L. The order of business at Directors' meetings shall be as follows:
 1. Calling of the roll.
 2. Proof of due notice of meeting.
 3. Reading and disposal of any unapproved minutes.
 4. Reports of officers and committees.
 5. Election of officers.
 6. Unfinished business.
 7. New business.
 8. Adjournment.
- M. Directors' fees, if any, shall be determined by the majority of the membership of the Association.
- N. Minutes of all meetings of the Board of Directors shall be kept in a businesslike manner and be available for inspection, upon reasonable notice and at reasonable times, by members and directors at the office of the Association.
- O. Meetings of the Board of Directors shall be open to all members. Unless a member serves as a Director or unless he has been specifically invited to participate in a meeting, a member shall not be entitled to participate in any meeting of the Board of Directors, but shall only be entitled to as an observer.

ARTICLE IV
POWERS AND DUTIES OF
THE BOARD OF DIRECTORS

- A. All of the powers and duties of the Association existing under the Declaration, the Articles of Incorporation and these By-Laws shall be exercised exclusively by the Board of Directors, its agent, contractors or employees, subject only to approval of Lot Owners when such is specifically required. Such powers and duties shall be exercised in accordance with the documents hereinbefore stated, and shall include, but not be limited to the following:
1. Making, establishing, amending and enforcing reasonable rules and regulations governing the portions of Pennock Pointe Estates.
 2. Making, levying, collecting and enforcing assessments against members to provide funds to pay the Association expenses. Such assessments shall be collected by the Association by payments made directly to the Association by members in the manner set forth in the documents described above.
 3. Maintaining, managing, administering, operating, repairing and replacing the improvements and personal property located within the portion of Pennock Pointe Estates under Association jurisdiction.
 4. Enforcing by legal means the provisions of the Declaration, including levying fines.
 5. Retaining independent contractors and professional personnel and entering into and terminating service, supply and management agreements and contracts to provide for the administration, management, operation, repair and maintenance of the portions of Pennock Pointe Estates over which the Association has jurisdiction.
 6. Hiring and retaining such employees and/or contractors as are necessary to administer and carry out the services required for the proper administration of the purposes of the Association and paying all of the salaries therefor.
 7. Paying costs of all power, water, sewer and other utility services rendered to the portion of Pennock Pointe Estates over which the Association has jurisdiction and not billed to individual "Owners".
 8. Paying taxes and assessments which are or may become liens against any property located on the portions of Pennock Pointe Estates over which the Association has jurisdiction and assessing the same against Lots.
 9. Purchasing and carrying insurance for the protection of Owners and the Association against casualty and liability with respect to portions of Pennock Pointe Estates over which the Association has jurisdiction in accordance with the Declaration.

ARTICLE V
OFFICERS

- A. The executive officers of the Association shall be a President, who shall be a Director, a Vice-President, who shall be a Director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not be also the Secretary or Assistant Secretary. The Board of Directors, from time to time, shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

- B. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of the President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.
- C. The Vice-President, in the absence or disability of the President, shall exercise the power and perform the duties of the President. He also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the Directors.
- D. The Secretary shall keep the minutes of all proceedings of the Directors and members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.
- E. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.
- F. The compensation of all employees of the Association shall be fixed by the Directors. The provision that Directors' fees shall be determined by members shall not preclude the Board of Directors from employing a Director as an employee of the Association.

ARTICLE VI FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Articles of Incorporation shall be supplemented by the following provisions:

- A. Accounts. The expenditures of the Association shall be created and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:
 - 1. Current/Operating Expense. (i.e., landscaping, maintenance, utilities, sanitation, supplies, administration, legal, insurance, management, and the like), which shall include all expenditures within the year for which the budget is made, excluding those expenses chargeable to the accounts delineated in Paragraphs 2 through 4 next hereinbelow.
 - 2. Current/Operating Expense Contingency. which shall include an allowance for the contingency where actual operating/current expenses exceed the budgeted amount thereof.
 - 3. Reserve for Deferred Maintenance and for Replacement. The reserve for deferred maintenance shall include funds for maintenance items that occur less frequently than annually. The reserve for replacement shall include funds for repair or replacement required because of damage, depreciation or obsolescence.
 - 4. Betterments. which shall include the funds to be used for capital expenditures for additional improvement or additional personal property that will be part of the recreational facility.

- B. The Board of Directors shall adopt a budget for each year that shall include the estimated funds required to defray the expenditures and to provide and maintain funds for the foregoing accounts and reserves according to good accounting procedure as follows:
1. Current/Operating expenses.
 2. Current/Operating expense contingency.
 3. Reserve for deferred maintenance and for replacement.
 4. Betterments, which shall include the funds to be used for capital expenditures for additional improvements to the Common Property; provided, however, that expenditures in excess of \$1,000.00 from this fund for a single item or for a single purpose shall require the vote of a majority of the members present at a duly called meeting.
 5. Copies of the budget and proposed assessments shall be transmitted to each member of the Association before the end of the fiscal year, preceding the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member. The fiscal year shall be the calendar year.
- C. Assessments against the Lot Owners for their shares of the budget shall be made for the year annually in advance before the end of the calendar year preceding the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event that the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. In the event that the increase exceeds 115% of the annual assessment for the preceding year, the Board of Directors, upon written application of ten per cent (10%) of the members of the Board, shall call a special meeting of members within thirty (30) days, upon not less than ten (10) days written notice to each member. At a special meeting, members shall consider and enact a budget. In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reserves for deferred maintenance and for replacement or for betterments shall be excluded from the computation.
- D. If a member shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the member and the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the member, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.
- E. Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such expenditures is given to the members concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half of the votes of the members concerned, the assessment shall become effective and shall be due after thirty (30) days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.
- F. The depository of the Association shall be such bank or banks and/or savings and loan association as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.
- G. At the Annual Meeting of the Association, the members present shall determine by a majority vote whether an audit of the accounts of the

Association for the year shall be made by a Certified Public Accountant, a Public Accountant, or by an auditing committee consisting of not less than three members of the Association, none of which shall be Board members. The costs of audit shall be paid by the Association.

- H. Fidelity Bonds shall be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for the Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total of two monthly assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

ARTICLE VII
PARLIAMENTARY RULES

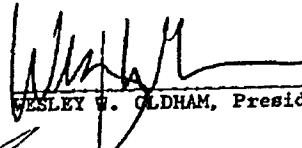
These By-Laws may be amended in the following manner:

- A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
- B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approval must be by:
1. Not less than two-thirds (2/3) of the entire membership of the Board of Directors and not less than fifty-one percent (51%) of the votes of the membership of the Association voting in person or by proxy; or
 2. Not less than sixty percent (60%) of the votes of the membership of the Association voting in person or by proxy; or
 3. Until the first election of Directors, by all of the Directors.
- C. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the By-Laws, which certificate shall be executed by the officers of the Association with the formality of the execution of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the Public Records of Palm Beach County, Florida.
- D. These By-Laws shall not be amended in any manner which shall amend, abridge, modify, or conflict with the provisions of any institutional mortgagee, having a first mortgage on a lot, without prior written consent of the institutional mortgagee affected.

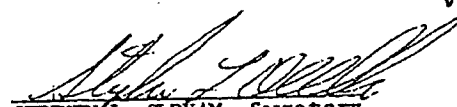
The foregoing were adopted as the By-Laws of Pennock Pointe Estates Property Owners' Association, Inc., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on the 5th day of January, 1988.

PENNOCK POINTE ESTATES PROPERTY
OWNERS' ASSOCIATION, INC.

(CORPORATE SEAL)

By: 

WESLEY W. OLDHAM, President

Attest: 

STEPHEN L. OLDHAM, Secretary

EXHIBIT "C"

PENNOCK POINTE ESTATES
PROPERTY OWNERS' ASSOCIATION, INC.
ARTICLES OF INCORPORATION